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KHPA AWARDS DATA CONSOLIDATION AND ANALYSIS CONTRACT

The Kansas Health Policy Authority (KHPA) has announced the award of a key data system development contract to Thomson Reuters. The system, known as the Data Analytic Interface (DAI) is intended to consolidate and manage health care data for several state programs, including the Medicaid Management Information System (MMIS), the State Employee Health Benefit Program (SEHBP), and the Kansas Health Insurance Information System (KHIIS).

Thomson Reuters was formed in the spring of this year by the merger of the Thomson Corporation, a provider of electronic financial, medical, and legal data, with Reuters, a British financial information provider and news agency. The company is based in New York.

Andy Allison, KHPA's Deputy Director and Medicaid Director refers to the contract award as "a major building block in fulfilling KHPA's mission to advance data-driven health policy". Upon its creation by the Kansas Legislature in 2005, the KHPA was charged with administering the state's health care database as well as coordinating the analysis of health data for programs the agency manages, and the state's private health insurance database. The legislature provided funding specifically for the DAI project in the 2007 session.

The contract was awarded through a competitive bidding process. The goal of the project is to allow analysis of health care in Kansas based on episodes of treatment, disease management, predictive modeling, and the measure of cost and outcome effectiveness. The DAI will use public and private data to compare health care service and use patterns and will identify areas for focus and improvements.

According to KHPA's Director of Data Policy, Hareesh Mavoori, "Technology that makes it easier to share the state's data with key stakeholders is critical for system improvement. It's important as a health policy agency and our duty to health care consumers that we plan for continued growth in the use of health data."

The duration of the contract is for a 3 year period with the option to renew for 2 additional years at a cost of \$4 million for the 3-year base contract period. The Center for Medicaid and Medicare Services (CMS) has approved the maximum allowable federal match for this project. There will be a 90% federal share for the development of the Medicaid portion (70% of the total program cost) of the software, and 75% federal funding for licensing and ongoing operational costs. For the first year, this amounts to a \$1.2 million federal share and a \$760,000 state share.

For more information on the DAI, please visit the KHPA website at:

http://www.khpa.ks.gov/LegislativeInformation/Testimony/JCIT%20Testimony%209-21-07%20_3_.pdf

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